

**TESTIMONY OF
STEPHEN L. JOHNSON
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
HOUSE COMMITTEE ON ENERGY & COMMERCE
ON March 8, 2007**

Mister Chairman and Members of the Committee, I am pleased to be here today to discuss the fiscal year (FY) 2008 budget request for the Environmental Protection Agency (EPA). The President has requested \$7.2 billion to support the work of EPA and our partners nationwide. This funding illustrates the Administration's unwavering commitment to setting high environmental protection standards, while focusing on results and performance, and achieving the goals outlined in the President's Management Agenda.

The President's request builds on EPA's long record of accomplishments and funds its role as America enters into the next phase of environmental progress. These are exciting times for our nation's environment. Since its founding, EPA has laid a strong foundation of environmental progress. Our air, water and land are cleaner today than they were just a generation ago, and with this year's budget, this progress will continue.

While our nation's environmental results are significant, it is important to understand how they're being achieved. Over our 36 years, EPA has laid a strong foundation to shift America into a "green" culture. Today, instead of having just 17,000 EPA employees working to protect the environment, we now have over 300 million Americans as environmental partners. Americans from all sectors of society –

businesses, communities and individuals – have begun to embrace the fact that the environment is everyone's responsibility, not just the responsibility of EPA.

Mister Chairman, the FY 2008 budget will fund our new role in this next exciting phase of environmental progress.

Our nation is committed to balancing the budget, and EPA is a proud partner in this effort. EPA is not only a good steward of our environment, but it is a good steward of our nation's tax dollars. We are accountable for spending the taxpayer's money efficiently and effectively, while focusing on wisely investing in environmental results.

Clean Air and Global Climate Change

The FY 2008 President's Budget requests \$912 million for the Clean Air and Global Climate Change goal at EPA. EPA implements this goal through its national and regional programs that are designed to provide healthier air for all Americans and protect the stratospheric ozone layer while also minimizing the risks from radiation releases, reducing greenhouse gas intensity, and enhancing science and research. In order to carry out its responsibilities, EPA utilizes programs that include many common elements, including: setting risk-based priorities; facilitating regulatory reform and market-based approaches; partnering with state, tribal, and local governments, non-governmental organizations, and industry; promoting energy efficiency; and utilizing sound science.

The Clean Air Rules are a major component of EPA work under Goal 1 and include a suite of actions that will dramatically improve America's air quality. Three of the rules specifically address the transport of pollution across state borders (the Clean Air Interstate Rule, the Clean Air Mercury Rule, and the Clean Air Nonroad Diesel Rule). These rules provide national tools to achieve significant improvement in air quality and the associated benefits of improved health, longevity and quality of life for all Americans. In FY 2008, EPA will be working with the states and industry to implement these rules.

In order to address the nation's growing energy challenges, EPA's request supports activities associated with the Energy Policy Act of 2005. These activities include the implementation of the Renewable Fuel Standards that will promote the use of

renewable fuels, diversify our energy sources, and reduce our reliance on oil. EPA's request provides \$35 million to support the new Diesel Emission Reduction Grants program that is designed to reduce diesel emissions in trucks and school buses through retrofitting and replacing existing engines. This program will target projects in areas that don't meet air quality standards to help ensure improvements occur in areas of the country where the benefits are needed most.

In FY 2008, EPA's climate protection programs will continue its government and industry partnerships to achieve reductions in greenhouse gas emissions and contribute to the President's goal of reducing greenhouse gas intensity by 18 percent in 2012. The President's request for EPA's voluntary partnership climate change programs and research on technology and science in FY 2008 is \$118 million. The request includes \$4 million for the Methane to Markets Partnership which promotes methane recovery and use in landfills, coal mines and natural gas facilities. In addition, EPA's request provides \$5 million to support the Asia Pacific Partnership - this partnership supports international efforts to reduce greenhouse gas emissions by creating new investment opportunities, building local capacity, and removing barriers to the introduction of more efficient technologies. EPA's climate partnership and technology research efforts are components of the Administration's Climate Change Technology Program. In addition, EPA's Global Change research program coordinates its efforts and actively contributes to the Administration's Climate Change Science Program.

Clean and Safe Water

The FY 2008 President's Budget requests \$2.7 billion to implement the Clean and Safe Water goal through programs designed to improve the quality of surface water and drinking water. EPA will continue to work with its state, tribal, and local partners to achieve measurable improvements to the quality and safety of the nation's drinking water supplies as well as the conditions of rivers, lakes and coastal waters.

The President's request continues the Administration's commitments to the Clean Water and Drinking Water State Revolving Funds. The President funds the Clean Water State Revolving Fund (CWSRF) at \$688 million, supporting the cumulative capitalization commitment of \$6.8 billion for 2004-2011 and enabling the CWSRF to eventually revolve at an annual level of \$3.4 billion. The budget proposes \$842 million for the Drinking Water State Revolving Fund (DWSRF), essentially the same as the 2007 level. This request keeps the Administration's commitment of achieving a long-term \$1.2 billion revolving level.

EPA has worked with Treasury and other parts of the Administration to propose expanded use of tax-exempt Private Activity Bonds for capital investments in drinking water and wastewater projects. The President's Budget proposes to exempt PABs from the private activity bond unified state volume cap. PABs are tax-exempt bonds issued by a state or local government, the proceeds of which are used by another entity for a public purpose or by the government entity itself for certain public-private partnerships. By removing drinking water and wastewater bonds from the volume cap, this proposal will

provide states and communities greater access to PABs to help finance their water infrastructure needs and increase capital investment in the nation's water infrastructure.

This Water Enterprise Bond proposal would provide an exception to the unified annual State volume cap on tax-exempt qualified private activity bonds for exempt facilities for the "furnishing of water" or "sewage facilities." To ensure the long-term financial health and solvency of these drinking water and wastewater systems, communities using these bonds must have demonstrated a process that will move towards full-cost pricing for services within five years of issuing the Private Activity Bonds. This will help water systems become self-financing and minimize the need for future subsidies.

Land Preservation and Restoration

The Agency's FY 2008 budget request to Congress implements the Land Preservation and Restoration goal through EPA's land program activities that promote the following themes: Revitalization, Recycling, Waste Minimization, and Energy Recovery; Emergency Preparedness and Response; and Homeland Security.

The President's budget provides \$1.2 billion for the Superfund program to continue progress cleaning up the nation's most contaminated hazardous waste sites. As of the end of FY 2006, cleanup construction has been completed at 1,006 National Priorities List (NPL) sites. The Superfund program often completes short-term removal

actions to mitigate immediate health threats at sites prior to completion of investigations and the start of long-term cleanup construction. EPA has continued its efforts to efficiently utilize every dollar and resource available to clean up contaminated sites and to protect human health. In FY 2006, EPA obligated \$390 million of appropriated, state cost-share, and responsible party funding to conduct ongoing cleanup construction and post-construction work at Superfund sites that includes nearly \$45 million to begin construction at 18 new Superfund projects. Based upon the construction schedules, EPA expects to complete construction of all remedies at 24 sites in FY 2007 and 30 sites in FY 2008. EPA expects to complete construction at 165 sites during the FY 2007 to FY 2011 time period, the goal established in the Agency's FY 2006 to FY 2011 Strategic Plan.

In FY 2008, the Agency is requesting \$34 million for the Underground Storage Tank Program to provide assistance to states to help them meet their new responsibilities, that include: 1) mandatory inspections every three years for all underground storage tanks; 2) operator training; 3) prohibition of delivery to non-complying facilities; 4) secondary containment of financial responsibility for tank manufacturers and installers; 5) various compliance reports; and 6) grant guidelines. The Agency is also submitting new legislative language to allow states to use alternative mechanisms, such as the Environment Results Program, to meet the mandatory three-year inspection requirement. This proposal provides states with a less costly alternative to meet the objectives of the Energy Policy Act.

Healthy Communities and Ecosystems

In FY 2008, EPA's Budget carries out the Healthy Communities and Ecosystems goal via a combination of regulatory, voluntary, and incentive-based programs. A key component of the Healthy Communities and Ecosystems goal is to reduce risks to human health and the environment through community and geographically-based programs.

In FY 2008, \$162.2 million was requested for the Brownfields program to support research efforts with additional assessments, revolving loan fund, cleanup grants and workforce development programs. When leveraged with state and local resources, this Brownfield funding will help assess more than 1,000 properties, clean up more than 60 sites, and address petroleum contamination in more than 40 communities.

EPA focuses on collaborative place-based programs to protect the great waterbodies – the Chesapeake Bay, the Great Lakes, the Gulf of Mexico and the Puget Sound.

The Chesapeake Bay is the largest estuary in the United States and a water resource of tremendous ecological and economic importance. The greatest success in the last five years has been the water quality initiative that has resulted in new water quality standards for the Bay, the adoption of nutrient and sediment allocations for all parts of the watershed that meet new standards, and tributary-specific pollution reduction and habitat restoration plans. To continue to carry out these functions, the FY 2008 President's Budget requests \$29 million in FY 2008, an increase of over \$2 million from the previous

President's Budget request. Within the request is \$8 million for competitive grants for innovative, cost-effective non-point source watershed projects, which reduce nutrient and/or sediment discharges to the Bay.

The Great Lakes are the largest system of surface freshwater on earth, containing 20 percent of the world's surface freshwater and accounting for 84 percent of the surface freshwater in the United States. The goal of the Agency's Great Lakes Program is to restore and maintain the chemical, physical and biological integrity of the Great Lakes Basin Ecosystem. The President's FY 2008 budget commits \$57 million towards continuing efforts by EPA's Great Lakes program, working with state, local, and tribal partners and using the Great Lakes Regional Collaboration Strategy as a guide to protect and restore the Great Lakes. The Agency will focus on working with partners to clean up and de-list eight Areas of Concern (AOCs) by 2010, emphasizing clean up of contaminated sediments under the Great Lakes Legacy Act. EPA will continue to work towards reducing PCB concentrations in lake trout and walleye and keeping Great Lakes beaches open and safe for swimming during the beach season.

The FY 2008 President's Budget Request provides \$4.5 million for the Gulf of Mexico program to support Gulf States and stakeholders in developing a regional, ecosystem-based framework for restoring and protecting the Gulf of Mexico.

EPA efforts in the Puget Sound are focused on the Basin's highest priority environmental challenges: air and water quality. The FY 2008 Budget provides \$1

million for restoration activities to improve water quality and minimize the adverse impacts of rapid development.

Another major focus of the Healthy Communities and Ecosystems goal is identifying, assessing, and reducing the risks from pesticides. In FY 2008, EPA will continue identifying and assessing potential risks from pesticides. In addition, EPA will set priorities for addressing pesticide risks and promoting innovative and alternative measures of pest control. EPA will continue to meet its pesticide-related homeland security responsibilities by identifying and reviewing proposed pesticides for use against pathogens of greatest concern for crops, animals, and humans. EPA will continue to work closely with other federal agencies and industry to implement its Registration Review program that will review existing pesticide registrations on a 15-year cycle to ensure that registered pesticides in the marketplace continue to be safe for use in accordance with the latest scientific information.

Compliance and Environmental Stewardship

The EPA's FY 2008 Budget request of \$743.8 million for the Compliance and Environmental Stewardship goal provides funding for programs that monitor and promote enforcement and compliance with environmental laws and policies. The Agency will also support stewardship through direct programs, collaboration and grants for pollution prevention, pesticide and toxic substance enforcement, environmental information, and continuing an environmental presence in Indian Country.

In FY 2008, the budget for this goal also provides \$56.9 million for GAP grants, which will build tribal environmental capacity to assess environmental conditions, utilize available federal information, and build an environmental program tailored to tribes' needs. The grants will develop environmental education and outreach programs, develop and implement integrated solid waste management plans, and alert EPA to serious conditions that pose immediate public health and ecological threats. Through GAP program guidance, EPA emphasizes outcome-based results.

Enforcement

In FY 2008, the proposed total of \$549.5 million represents the highest requested enforcement budget. This request for an increase of \$9.1 million reflects the Administration's strong commitment to the vigorous enforcement of our nation's environmental laws and ensures that we will have the resources necessary to maintain a robust and effective enforcement program.

EPA's enforcement program continues to achieve outstanding enforcement results with settlements over the past 3 years resulting in commitments of nearly \$20 billion in future pollution controls. As an outcome of EPA's Superfund enforcement actions in FY 06, parties held responsible for pollution will invest \$391 million to clean up 15 million cubic yards of contaminated soil and approximately 1.3 billion cubic yards of

contaminated groundwater at waste sites. These results show a strong and vigorous enforcement program that will be attainable under the FY 2008 Request.

Research

EPA conducts research that provides a scientific foundation for the Agency's actions to protect the air that all Americans breathe. In FY 2008, EPA's air research program will support implementation of the Clean Air Act, especially the National Ambient Air Quality Standards (NAAQS). The NAAQS programs will focus on tropospheric ozone, particulate matter, carbon monoxide, sulfur dioxide, nitrogen oxides, and lead. EPA also conducts research to improve understanding of the risks from other hazardous air pollutants, known as air toxics. EPA is also one of many federal agencies that actively contribute to the Administration's Climate Change Science Program.

Other important areas of research in FY 2008 will include: 1) development of molecular microarrays for detection of bacterial pathogens and non-pathogenic microbes in drinking water source waters; 2) epidemiological studies on the illness rates resulting from untreated groundwater and distribution systems; 3) studies on the practices, such as blending, for handling significant wet weather events to identify "best practices" for preventing peak wet weather flows from overwhelming wastewater treatment facilities while protecting water quality; and 4) providing more efficient monitoring and diagnostic tools through continued research to develop methods of using landscape assessments for

monitoring and assessing watershed conditions. These programs will help assess risks and priorities for ensuring clean water.

EPA is requesting \$10.2 million in FY 2008 for nanotechnology research, which will focus primarily on the potential implications of manufactured nanomaterials on human health and the environment. The Agency's efforts are coordinated with other federal agencies through the National Nanotechnology Initiative (NNI), which the Administration has identified as a FY 2008 research and development budget priority. In FY 2008, EPA's Science to Achieve Results (STAR) program will continue to fund exploratory grants on the potential implications of manufactured nanomaterials on the environment and human health, in collaboration with other federal agencies.

The Agency also will continue in-house nanotechnology research initiated in FY 2007. The integrated programs will focus on: 1) assessing the potential ecological and human health exposures and effects from nanomaterials likely to be released into the environment; 2) studying the lifecycles of nanomaterials to better understand how environmental releases may occur; 3) developing methods to detect releases of nanomaterials; and 4) using nanotechnology to detect, control, and remediate traditional pollutants.

Recognizing that environmental policy and regulatory decisions will only be as good as the science upon which they are based, EPA makes every effort to ensure that its science is of the highest quality and relevance, thereby providing the basis for sound

environmental decisions and results. EPA uses the federal Research and Development (R&D) Investment Criteria of quality, relevance, and performance in its decision-making processes through: 1) the use of research strategies and plans; 2) program review and evaluation by the Board of Scientific Counselors (BOSC) and the Science Advisory Board (SAB); and 3) independent peer review.

Homeland Security

Following the cleanup and decontamination efforts after the terrorist incidents in 2001, the Agency has focused on ensuring we have the tools and protocols needed to detect and recover quickly from deliberate incidents. The emphasis for FY 2008 is on several areas including decontaminating threat agents, protecting our water and food supplies, and ensuring that trained personnel and key lab capacities are in place to be drawn upon in the event of an emergency. Part of these FY 2008 efforts will continue to include activities to implement a common identification standard for EPA employees and contractors such as the Smartcard initiative.

EPA has a major role in supporting the protection of the nation's critical water infrastructure from terrorist threats. In FY 2008, EPA will continue to support the Water Security Initiative (formerly known as Water Sentinel) pilot program and water sector-specific agency responsibilities, including the Water Alliance for Threat Reduction (WATR), to protect the nation's critical water infrastructure. The FY 2008 budget provides \$22 million for the Water Security Initiative to continue operation at the existing

pilot systems and to begin deployment of the last pilot systems. Ultimately, an expansion of the number of utilities will serve to promote the adoption of Water Security within the water sector. Functioning warning systems, among several utilities of potentially divergent configurations, will afford a more compelling outcome than just one utility. After start-up of the remaining pilot systems in 2008, the program will ramp down as EPA shifts its focus to evaluation of the pilots. EPA will continue support of each pilot for three years, after which the host cities will assume maintenance of these systems and over time bring them to full-scale operation. By the end of FY 2007, EPA will issue interim guidance on design and consequence management that will enable water utilities to deploy and test contamination warning systems in their own communities.

In FY 2008, the Agency, in collaboration with our water sector security stakeholders, will continue our efforts to develop, implement and initiate tracking of national measures related to homeland security critical infrastructure protection activities.

In summary, this budget will enable us to carry out the goals and objectives as set forth in our Strategic Plan, meet challenges through innovative and collaborative efforts with our state, tribal, and private entity partners, and focus on accountability and results in order to maximize environmental benefits. The requested resources will help us better understand and solve environmental challenges using the best available science and data, and support the President's focus on the importance of homeland security while carrying out EPA's mission.

QUESTION: What activities does the Agency plan to carry out to determine the environmental and human health effects that may arise from application of nanotechnology? The reply must also identify any regulatory activities that are being funded in the FY 2008 Budget request and the amount of funds requested.

ANSWER: EPA plans to provide research products on nanotechnology as well as work on regulatory and/or stewardship programs. The following provides a brief description of both research and regulatory work that the agency plans.

Nanotechnology Research:

- EPA is developing a nanotechnology research framework for fiscal years 2007–2012 that is problem-driven, focusing on addressing the Agency's programmatic needs. Under this framework, the Agency will conduct research to understand whether nanoparticles, in particular those with the greatest potential to be released into the environment or trigger a hazard concern, pose significant risks to human health or ecosystems by looking at their life cycles. EPA will also conduct research to identify approaches for detecting and measuring nanoparticles in the environment; to use nanotechnology for pollution prevention and enhancing manufacturing processes; and to facilitate the development of nanotechnology-based materials in an environmentally benign manner.
- EPA's FY 2008 President's Budget requests \$ 10.2M for Nanotechnology Research.
- EPA plans to conduct its nanotechnology research through coordinated use of its Science to Achieve Results (STAR) extramural grants program,¹ which awards grants for peer reviewed research proposals from the nation's best universities and non-profit institutions, and the Agency's in-house research programs, which have cultivated EPA-relevant expertise in environmental science and engineering.
- EPA's nanotechnology research program and the research framework currently under development are guided by a recently completed EPA nanotechnology White Paper,² which was developed by a cross-agency committee working under the auspices of EPA's Science Policy Council. The White Paper identifies research needs specific to EPA's mission and programs. EPA research is also being guided by the information needed to conduct assessments of nanomaterials' risks to humans and the environment.
- EPA is working through the interagency National Nanotechnology Initiative (NNI) to ensure a comprehensive and coordinated approach to nanotechnology. For example, EPA's nanotechnology research is informed by the NNI's recently completed environmental, health, and safety research needs report.³ The Agency is also collaborating with the international community. For example, EPA is chairing the Organisation for Economic Co-operation and Development (OECD) Working Party on Manufactured Nanomaterials (WPMN).

¹ See <http://es.epa.gov/ncer/> for more information.

² Available on-line: <http://www.epa.gov/osa/pdfs/nanotech/epa-nanotechnology-white-paper-final-february-2007.pdf>

³ Available on-line: http://nano.gov/NNI_EHS_research_needs.pdf

- EPA is uniquely positioned to lead in the ecosystem and exposure research areas, due to the Agency's existing expertise. Also, because of expertise in areas such as fine particulate toxicology, the Agency plans to engage in limited human health effects research. The Agency is forming partnerships and collaborations with other agencies to fill research needs. For example, EPA is currently working with the National Institute of Environmental Health Sciences (NIEHS) to ensure that human toxicity research is conducted that is relevant and timely for environmental decision making.

Regulatory and Stewardship Efforts:

- EPA's FY 2008 President's Budget requests \$ 1.58M_ for Nanotechnology related regulatory in addition to stewardship program.
- Current regulatory activity regarding nanotechnology under TSCA and FIFRA includes review of Premanufacture Notices for nanoscale materials as part of the New Chemicals Program and review of applications for pesticidal products containing nanomaterials under FIFRA.
- EPA's Office of Pollution Prevention and Toxic Substances (OPPT) is currently designing and developing a stewardship program for nanoscale materials under its existing chemicals program. The purpose of the stewardship program is to collect data to prioritize research needs and inform the risk assessment and risk management processes.
- In addition, EPA's Office of Pesticide Programs (OPP) has formed an internal Nanotechnology Workgroup to consider regulatory, policy, and science issues associated with registering a pesticide product that contains nanomaterials while ensuring its efforts are consistent with other Agency efforts, such as the TSCA program. The Pesticides Program expects to receive applications for pesticidal products containing nanomaterials in the next two years. These costs are included in the base budget for the pesticides program.

QUESTION: With respect to the agency's mandate under Section 108(b) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to promulgate financial responsibility requirements for classes of facilities, please describe the agency's activities and funding requests to carry out this requirement.

ANSWER:

- EPA is investigating the degree and duration of risk associated with modern production, transportation, treatment, storage or disposal of hazardous substances.
- In carrying out this investigation, EPA is examining facilities proposed to the National Priorities List (NPL) since 1990 that are not regulated under Subtitle C of the Solid Waste Disposal Act. EPA chose the 1990 date because, by that date, most of the nation's waste management regulations had been promulgated, allowing EPA to identify and focus on whether a substantial amount of risk remains notwithstanding modern waste management practices.
- With respect to these facilities, EPA is analyzing to what degree sites are being listed on the NPL because of historic waste management practices or more recent practices.
- If EPA's analysis suggests that there are likely to be classes of facilities where modern production, transportation, treatment, storage or disposal of hazardous substances will create substantial risk in the future that may need to be addressed under the Superfund program, EPA will then determine the appropriate level of financial responsibility needed to protect against the identified level of risk.
- No specific funding requests for support of CERCLA 108(b) rulemaking have been made at this time. All funding employed to date has come from the Superfund base budget within the Office of Solid Waste and Emergency Response.

QUESTION: With respect to EPA's responsibilities for implementing the new sections of the Solid Waste Disposal Act – Sections 9010 (Operator Training), 9011 (Release Prevention and Compliance), 9012 (Delivery Prohibition), and 9013 (Tanks on Tribal Lands) that were added by Title XV, Subtitle B of the Energy Policy Act of 2005, please provide a detailed summary of EPA actions and plans, as well as the specific funding amounts requested in FY08 budget request, to implement these provisions.

ANSWER: EPA has worked closely with its state, tribal, and industry partners to implement the underground storage tank (UST) provisions of the Energy Policy Act. To date, EPA has completed or made significant progress including:

- EPA published final grant guidelines in four key areas: delivery prohibition - section 9012 (August 7, 2006), secondary containment - section 9003 (November 15, 2006), financial responsibility - section 9003 (January 22, 2007), and public record - section 9002 (January 22, 2007). These grant guidelines provide the terms and conditions for states receiving federal funding to implement the UST program. EPA designed the guidelines to fully implement the Energy Policy Act requirements while providing flexibility to state implementing agencies. EPA developed these guidelines in partnership with states, following consultation with industry, and after public review and comment.
- On January 23, 2007, EPA published two additional draft grant public review and comment addressing inspections (section 9005) and the states' report on government owned USTs (section 9003). EPA expects to finalize these guidelines this spring.
- EPA is working on operator training guidelines (section 9010). EPA expects to publish this for public review and comment this spring, and finalize the guidelines by this year.
- EPA is working closely with our state partners to ensure that all USTs that had not been inspected since December 22, 1998 are inspected by August 8, 2007. We are on track to meet that deadline.
- EPA published a strategy for working with tribes to implement the UST program in Indian Country (section 9013). This strategy lays out a road map for continued progress by working closely with tribes. We are also working on a report to Congress on the status of implementation of the UST program in Indian Country, which we will submit to Congress by August 8, 2007.
- EPA facilitated the submission of reports to Congress by federal agencies (section 9007) documenting the compliance status of federally owned or operated USTs. EPA owns 17 USTs and submitted its own report as well, confirming all 17 USTs are in compliance.

EPA continues to work closely with our state partners and to provide assistance and support. We will also work to provide compliance assistance tools for industry, such as a reference on our web site of all state delivery prohibition programs, to assist the delivery

industry in determining the relevant program in each state. To date, EPA has met all Energy Policy Act deadlines for UST requirements.

FY08 Funding Request

The President's Budget requests \$22,237,700 in State and Tribal Assistance Grant funding in FY 2008 to support state and tribal work to meet the UST provisions of the Energy Policy Act. These funds will be used to conduct inspections and implement the various grant guideline requirements, as well as implement the original UST program. This is approximately a \$10.5 million dollar increase relative to pre-Energy Policy Act funding levels. In addition, the President's Budget proposes an amendment to the inspection requirements in section 9005 of the Solid Waste Disposal Act to allow state to use an alternative inspection program. This program would have UST owners conduct annual self-evaluations and submit certification of their compliance status, and the state would conduct targeted, for-cause, and a statistically valid number of random inspections. This amendment would provide states another option to meet the inspection requirements, which would be less costly to implement relative to funding on-site inspections by state or contract inspectors.

The President's budget provided \$72,461,000 in Leaking Underground Storage Tank Trust Fund funding to continue to clean up leaking UST sites. This request is consistent with historical funding levels.

House Committee on Energy and Commerce
Questions for
The Honorable Stephen L. Johnson, Administrator
Environmental Protection Agency
(Budget Hearing, March 8, 2007)

Questions [one of four questions]

1. Please provide a list identifying by name each of the Environmental Protection Agency's (EPA) voluntary/partnership programs for both Headquarters and Regional Offices. For each program identify the amount of funding, the budget account from which the program is funded, and the number of FTEs dedicated to, or working on, the program for FY'06, FY'07, and the same information for the FY'08 budget request. Further, for each program identify the contracts that have been awarded, the date awarded, and the dollar amount of each contract that supports the voluntary/partnership program activities.

Answer:

Our partnership programs are an important building block of our core practices. They are part of a broad range of tools we use to help us accomplish EPA's mission of protecting human health and the environment. They have substantially influenced the actions of many businesses, communities, individuals, and other government agencies, producing results that are real and meaningful.

We employ voluntary partnership programs because we, our state partners, and others have learned that one approach can not effectively solve all environmental challenges and that any one challenge can often not be solved by only one approach. We have also learned that many of the new or evolving environmental challenges we face have fundamentally different characteristics from those we have faced in the past.

EPA's voluntary programs reflect a common theme expressed in EPA's first Strategic Plan issued in 1997 by Administrator Browner and revised in 2006 by Administrator Johnson. EPA's Strategic Plan recognizes that solving a particular environmental problem may require some or all of a full suite of tools and that voluntary partnership programs can enhance the effectiveness of regulatory programs or help achieve environmental results we would not otherwise be able to accomplish. Many of these programs operate on small budgets and leverage external resources through partnerships, influencing individual behavior, or building upon organizations' internal incentives.

At the request of Administrator Johnson, EPA has taken steps to evaluate the effectiveness of partnership programs and strengthen their foundation, development, and coordination. Begun during the summer of 2006, we anticipate completing an

analytic framework for both assessing each program's performance and making recommendations for enhancing their overall efficiency and effectiveness in 2007.

Appendix A contains detailed responses for a subset of EPA's voluntary programs. EPA will provide information on additional programs on Wednesday, March 14. We welcome the Committee's interest in our partnership programs and would be happy to provide additional information and engage in a productive discussion of the various mechanisms that help the Agency and our partners achieve environmental results.

Attachments:

Appendix A

(Dollars in Thaousands)

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Voluntary Programs—Contract Data (Dollars in Thousands)

Program Name	Contract Award #3 (Name of Contractor)	Award Date #3 (MM/DD/YY)	Contract Cost #3 (\$ in Thousands)	Contract Award #4 (Name of Contractor)	Award Date #4 (MM/DD/YY)	Contract Cost #4 (\$ in Thousands)
Community Action for a Renewed Environment (CARE)	OAR					
Energy Star	OAR	ICF 12/18/06	\$12,000.0	TMN	03/07/05	\$900.0
Energy Star	R1					
Energy Star	OAR					
Energy Star	OAR	SRA 07/07/04	\$28,000.0	OPTIMUS	01/01/04	\$4,500.0
Green Suppliers Network (GSN)	R1					
Green Suppliers Network (GSN)	OPPTS	NAEM 11/17/06	\$11,300.0			
High Production Volume Challenge						
		Battelle Memorial Institute 3/3/2004				
		Battelle - Taylor 1/22/2007	\$240.0	Versar Inc	7/1/2004	\$20
Hospitals for a Healthy Environment	OPPTS					
	OPPTS					
Performance Track	OPEI	IEC, EP-W-05-047 08/10/05	\$1,157.0	ICF - EP-W-06-045	07/19/06	\$672.0
Performance Track	OPEI					
RCC - WasteWise	OSWER					
Sector Strategies	OPEI	ENVIRONMENTAL STEWARDSHIP CONTRACT (Mission Contract Start-up)	\$10.0	ERG (EASTERN RESEARCH GROUP, INC)	08/10/06	\$60.0
Sector Strategies	OPEI					